



TRANSPARENCY INTERNATIONAL

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Dear Readers,

The present issue of our newsletter is devoted to the latest initiative of TI-Bulgaria – the National Round Table “The Challenges Facing Prosecution When Curbing Corruption in the Context of Bulgarian Accession to the EU”, which took place on 13 May 2004 in “Sredetz” Hall of the Sheraton Hotel. The forum was organised in cooperation with the National Prosecution Office and the kind support of the British Embassy in Bulgaria. In view of the considerable interest stirred by the TI Global Corruption Report 2004, we present to you information about its contents and the web addresses where you can find its full text. The major focus of the 2004 edition of the Report is the problem of political corruption worldwide.

THE CHALLENGES FACING PROSECUTION WHEN CURBING CORRUPTION IN THE CONTEXT OF BULGARIAN ACCESSION TO THE EU

On 13 May 2004 Transparency International-Bulgaria organised the National Round Table “The Challenges Facing Prosecution When Curbing Corruption in the Context of Bulgarian Accession to the EU”. The forum was a joint initiative of TI-Bulgaria and the National Prosecution Office, within the framework of the project “Building Capacity of the National Prosecution Office in the Context of Curbing Corruption”, realised with the financial support of the British Embassy in Bulgaria.

Objectives of the National Round Table

This initiative of Transparency International-Bulgaria aimed at supporting the efforts of state institutions for effective reform and modernisation of the Bulgarian judicial system as an essential

component of the country’s accession to the EU. The round table was the first forum of its kind to pose to open discussion the problems encountered by the Prosecution Office in the fight against corruption, as well as the possible forms of cooperation with other institutions working in the field.

The Major Focus of Discussions

were the problems that the Prosecution Office faces in indicting corruption crimes, the relevance of current anti-corruption legislation and the challenges before state prosecution in drafting a strategy for internal reform that would eventually transform it into an efficient and transparent institution working in compliance with the highest European standards.

Participation in the Forum

More than 80 participants took part in the round table, including representatives of the Supreme Prosecution of Cassation and District Prosecution Offices, other representatives of the judiciary and the Investigation Service, diplomats, Members of Parliament, Ministers and Deputy Ministers, ministerial experts, journalists and representatives of anti-corruption NGOs.



The forum was opened by the Chief Prosecutor Mr Nikola Filchev, the Minister of Justice Mr Anton Stankov, HE Mr Jeremy Hill, HM Ambassador to Bulgaria, and Assoc. Prof. Ognyan Minchev, Chairman of the Board of Directors of Transparency International-Bulgaria. In his opening address the Chief Prosecutor focused primarily on the causes of corruption in the country and the insufficient level of protection of prosecutors from criminal assaults and corruption pressure.

Minister Stankov emphasised the necessity for close cooperation between the Prosecution Office and the governmental anti-corruption commission (CCACC) for the effective fight against corruption, as stated in the Agreement for Coordination and Cooperation signed by the two institutions on 17 February 2004. Mr Filchev and HE Mr Jeremy Hill expressed their support for the project and pointed out the crucial importance of an ongoing cooperation between the institutions they represent. Mr Ognyan Minchev focused on the negative impact of corruption on the process of modernisation of countries in transition and drew a comparison between corruption levels and the level of political and economic development of post-communist countries.

Topics of Discussion at the Round Table

The Deputy Chief Prosecutor Mr Hristo Manchev discussed the major factors conducive to corruption in the country and the approaches and measures implemented by the Prosecution Office for successfully curbing corruption crimes. The main focus of Mr Manchev's analysis was the negative impact of a number of legislative changes which limit the means available to judicial bodies to effectively counter corruption. The Deputy Chief Prosecutor presented a detailed update on the recent work of the Prosecution in curbing corruption crimes, including the number of instituted inquiries, issued indictments and judgements passed, as well as the number of indicted and convicted individuals.

Major factors conducive to the rising corruption levels in Bulgaria:

- Establishment and draining of private bank structures
- Breaching the embargo against Yugoslavia and high-ranking shield for customs offences
- Privatisation and liquidation of the former system of agriculture
- Privatisation of the industry

Problematic areas, sources of corruption:

- Post-privatisation control
- Fiscal and customs legislation, customs control
- Public procurement
- Frequent legislative changes, deficiencies in the Criminal and Tax Procedure Codes

Number of inquiries instituted on corruption crimes (by year):

1999 – 1960	2000 – 1986
2001 – 2253	2002 – 4458
2003 – 6785	

Number of convictions issued by First Instance Courts (by year):

1999 – 224	2003 – 431
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Assoc. Prof. Nikola Manev presented parts of his study entitled “The Bulgarian Prosecution Office and the Fight against Criminal Corruption: Current State and Legislative Problems”, which was conducted within the framework of the research activities of the project “Building Capacity of the National Prosecution Office in the Context of Curbing Corruption”. The presenter offered an analysis of the deficiencies in the Bulgarian anti-corruption legislation and argued in favour of the interdependence between the placement of the Prosecution Office in the judicial system and its function as a politically independent institution capable of effectively curbing corruption in the country.

The exposition of Atanas Neshkov, JD, Director of District Prosecution Office–Lovech, examined the role of the cooperation between the organs of the Investigation Service and the Prosecution Office in the fight against corruption. He expressed his support for the establishment of specialised units within the Prosecution investigating corruption crimes and voiced the view that this approach should be replicated in the Investigation Service as well.



Mr Mihail Mikov, MP, presented an analysis of the impact of the legislative activity of the National Assembly on the economy in the context of the fight against corruption and its immediate impact on the capacity of the Prosecution Office to effectively indict corruption crimes. Mr Mikov argued that the numerous changes in economic legislation in recent years had transferred prerogatives from the legislative level to administrative organs making governance more susceptible to biased decisions. According to the MP, this tendency, accompanied by the large-scale process of transformation of the Bulgarian economy, is a major prerequisite for the rising corruption levels.

Mr Ivan Krastev, Director of the Centre for Liberal Strategies, made an analysis of the socio-psychological factors having a bearing on the effectiveness of the fight against corruption in transition countries. He presented the findings of the comparative study “Twenty-four Transition Countries” conducted by the European Bank for Reconstruction and Development, which examines the effectiveness of anti-corruption programmes and policies in the post-communist countries of Central and Eastern Europe, and the former Soviet Union.

Monitoring of the Prosecution Office

The model for monitoring the work of the Prosecution Office, carried out by experts from the national chapter of the international anti-corruption coalition Transparency International, was also presented at the forum. The TI-Bulgaria team of sociologists and political scientists conducted the first part of the survey which aimed at identifying and assessing the problems encountered by the Prosecution in its work on corruption crimes.

The purpose of the survey was twofold – to assess the current state of the system by taking into account the perceptions of the stakeholders and to outline prosecutors’ expectations of potential changes that would guarantee efficiency in curbing corruption and related crimes.

The NGO monitoring of the activity of the Bulgarian Prosecution Office is a groundbreaking approach, which is being carried out for the first time. This initiative of Transparency International-Bulgaria is among the major activity lines implemented within the framework of the current

TI-Bulgaria Project

The project “Building Capacity of the National Prosecution Office in the Context of Curbing Corruption” aims at assisting the Prosecution in formulating the actual problems in the fight against corruption with a view to amending and improving the existing procedural framework. One of the major objectives of the project is to lend support to the Prosecution Office in devising a model for internal reform. This initiative is TI-Bulgaria’s attempt to offer working mechanisms for internal control and enhance the efficiency of the Prosecution Office in combating corruption.

Another important activity line entails formulating and proposing measures to build the capacity of the Prosecution to enforce anti-corruption criminal legislation. Presently, TI-Bulgaria is carrying out an analysis of the best practices in European anti-corruption legislation in view of their adoption in our national context. The project envisages the drafting of a communication strategy for the Prosecution Office that would facilitate the institution’s rapport with the organs of the legislative and executive power, non-governmental organisations and the media.

GLOBAL CORRUPTION REPORT 2004

On 25 March 2004 Transparency International, the world's leading non-governmental organisation committed to combating corruption, launched its annual Global Corruption Report 2004. The special focus of this year's report is the problem of political corruption. Undoubtedly, this aspect of corruption to the greatest extent affects people in every country in the world. It considerably impedes the economic development of countries, undermines confidence in political institutions and has an immediate negative impact on the quality of life and access to resources. The Global Corruption Report 2004 includes:

- Political finance legislation. Violations of political party finance regulations;
- Disclosure of capital flows in politics;
- Practices of vote buying;
- The role of the private sector in political party financing, with a special focus on the arms and oil industries;
- Efforts to repatriate wealth looted by politicians.

The first part of the Global Corruption Report is devoted to analyses and studies of different aspects of the problem of political corruption: political party and election campaign financing in various regions of the world, the diverse forms of pressure that corporate finance exerts on politicians, practices of vote buying in the countries of East Asia and Latin America, recommended legislative measures to curb and recover the outflow of assets stolen by political leaders. The presented reports are an outcome of the analytical and research activity of teams of the World Bank, Transparency International, independent analysts and expert teams. The GCR 2004 includes the Standards on Political Finance and Favours elaborated by Transparency International, the only international anti-corruption coalition.

Transparency International Standards on Political Finance and Favours:

1. *Curbing all forms of influence peddling and conflicts of interest*
2. *Transparency through disclosure and publication of political party reports*
3. *Effectiveness in the enforcement and supervision of regulatory laws and measures*
4. *Limits on contributions and expenditure, diversity of party funding*
5. *Fairness and integrity in access to the media*
6. *Promoting civil society participation in politics*

The second part of the Global Corruption Report 2004 presents the country reports compiled by the national chapters of Transparency International as well as different regional conventions and anti-corruption agreements – the UN Convention against Corruption (adopted in Merida, Mexico in December 2003), the UN Global Compact, the African Union Convention against Corruption, and the OECD Convention on Combating Bribery. A very interesting and significant part of the publication are the country reports on political corruption. They are an outcome of the activities of the national chapters of Transparency International and reflect the specific national, political, social and cultural factors determining the dimensions and scope of political corruption in the respective countries.

The report on political corruption in Bulgaria includes information on the key factors and institutions that have an impact on the level of corruption in the country. There is also a discussion of the role of legislative and institutional changes, as well as recommendations for further legislative amendments and enforcement in two main areas. The first area concerns expenditure of funds for public procurement deals as an indicator of the transparency in the work of the state administration in its dealings with the business.

The second area is political party regulation, including the problems of political finance legislation. The recommendations listed in this section of the report draw on TI-Bulgaria's extensive experience in monitoring political party and election campaign financing. This part of the study was presented at the TI conference in Merida, Mexico in December 2003. In 2004 and 2005 Transparency International-Bulgaria will continue its work in the field within the framework of its new project "Promoting Transparency in Political Party Financing in Bulgaria", realised with the financial support of the US Embassy Democracy Commission.

The findings of the report can be accessed at the websites of Transparency International-Bulgaria: <http://www.transparency-bg.org/> and TI-Berlin: <http://www.transparency.org/> or downloaded free at: <http://www.globalcorruptionreport.org/>.

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